

## THIRD DIVISION

[ G.R. NO. 155359, January 31, 2006 ]

**SPOUSES PONCIANO AYA-AY, SR. AND CLEMENCIA AYA-AY,  
PETITIONERS, VS. ARPAPHIL SHIPPING CORP., AND MAGNA  
MARINE, INC., RESPONDENTS.**

### D E C I S I O N

#### **CARPIO MORALES, J.:**

Challenged via petition for review on certiorari is the January 24, 2002 Decision<sup>[1]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 50576 which denied due course to the petition for certiorari filed by spouses Ponciano, Sr. and Clemencia Aya-ay (petitioners), a reconsideration of which decision was denied by Resolution<sup>[2]</sup> of September 10, 2002.

The facts as culled from the records are as follows:

Respondent Arpaphil Shipping Corporation (Arpaphil), a domestic manning corporation, engaged the services of Ponciano Aya-ay, Jr. (Aya-ay) to work as seaman for respondent Magna Marine, Inc. (Magna Marine), a Greek shipping company.

After the parties executed an 11-month Contract of Employment<sup>[3]</sup> dated October 15, 1994 which bore the approval of the Philippine Overseas Employment Administration (POEA), Aya-ay departed on October 26, 1994 from the Philippines on board the vessel M/V Panoria.<sup>[4]</sup>

On June 1, 1995, as Aya-ay was cleaning the vessel's air compressor, a sudden backflow of compressed air containing sand and rust hit his right eye. As the vessel was then plying near the Port of Hawaii on its way to Australia, Aya-ay asked the vessel's captain, G. Livarados, that he be brought to a hospital for medical treatment, but the captain advised to just "relax and take it easy." His eye was washed with salt water and treated with eye drops, and he was given oral antibiotics.

On arrival of the vessel at the Port of Brisbane, Australia on June 16, 1995, Aya-ay was referred to Dr. Lawrence W. Hirst of the University of Queensland who performed a corneal graft and vitrectomy.

In his Medical Report<sup>[5]</sup> dated June 20, 1995, Dr. Hirst stated that Aya-ay had a "large central corneal perforation with iris prolapse" which appeared to be a result of a severe corneal infection. He concluded that "there was evidence of infection in the front of the eye although the back of the eye was not grossly infected."<sup>[6]</sup>

On examination on July 4, 1995 by Dr. John S. Ambler, also of the University of

Queensland, the doctor, in his Medical Certificate<sup>[7]</sup> of even date, opined that Aya-ay had been totally incapacitated for work since June 16, 1995 and would remain to be so until August 16, 1995.

On examination by Dr. Michael Whitby, consultant physician for infectious diseases at Brisbane, Australia, who was requested to be involved in the "management" of the eye injury of Aya-ay, the doctor, in his letter<sup>[8]</sup> to Dr. Hirst dated July 10, 1995, noted the details of the continued treatment of Aya-ay's eye injury and stated that he had not made "any further arrangements to follow the patient further."

On July 5, 1995, Ponciano was repatriated to Manila.<sup>[9]</sup>

In a Medical Report<sup>[10]</sup> dated September 7, 1995, Dr. Ramon J. Ongsiako, Jr. and Dr. Carmela Ongsiako-Isabela stated that Ponciano repaired to their clinic on August 1, 1995 for redness and blurring of vision of his right eye, and that upon examination, they found that there was corneal graft rejection in Aya-ay's affected area. They thus recommended a repeat corneal transplant once the inflammation in his eye had subsided, and expenses to be incurred therefor were, upon Aya-ay's request, therein itemized.

In a Medical Report<sup>[11]</sup> dated November 21, 1995, Dr. Ongsiako-Isabela stated that Aya-ay was awaiting a corneal donor and directed that in the meantime "he is to be cleared cardiopulmonary wise for surgery."

By still another Medical Report<sup>[12]</sup> dated November 27, 1996, Dr. Ongsiako-Isabela stated that:

Mr. Ponciano Aya-ay, Jr., was referred to Dr. Anthony King last November 21, 1995 for cardiac clearance prior to corneal transplant. At that time, he was not complaining of any symptoms referable to the heart, like chest pains, palpitations, difficulty of breathing. Past medical history and family history was (sic) unremarkable.

His physical exam showed a *normal blood pressure* of 130/85, *normal cardiac rate* of 62 per minute. Cardiac exam was negative for murmurs or abnormal heart sounds. *There were no rales or wheezes.* An electrocardiogram (ECG) showed sinus arrhythmia which is a finding compatible with his age. Attached is a copy of his ECG.

With these findings, Dr. Anthony King said that there was no evidence of an active heart disease and granted Mr. Aya-ay cardiac clearance for the procedure.<sup>[13]</sup> (Underscoring supplied)

Aya-ay's corneal transplant was thus scheduled on December 7, 1995.<sup>[14]</sup> On December 1, 1995, however, Aya-ay died. The Certificate of Death<sup>[15]</sup> issued by Dr. Isidoro A. Ayson, Medical Officer IV of the Caloocan Health Department, indicates that the immediate cause of death was cerebro-vascular accident (CVA).

Having died without issue, Aya-ay's parents, herein petitioners, claimed death benefits from herein respondents Arpaphil and Magna Marine which claims were rejected.

Petitioners thereupon filed on August 2, 1996 an Affidavit/Complaint<sup>[16]</sup> before the National Labor Relations Commission (NLRC), docketed as NLRC OCW Case No. 00-08-2327-96, praying that respondents Arpaphil and Magna Marine be ordered to pay them death compensation benefits in the amount of USD 50,000 under the POEA Standard Employment Contract;<sup>[17]</sup> burial assistance in the amount of USD 1,000; moral, actual and exemplary damages in an amount not less than P300,000; and attorney's fees equivalent to 10% of the total claim.

Respondents in their Answer<sup>[18]</sup> contended that since Aya-ay's contractual relationship with them had already ceased at the time of his death, the cause of which was in no way related to the eye injury, they could not be held liable for any death benefits.

After the parties had filed their respective position papers,<sup>[19]</sup> Labor Arbiter Renell Joseph R. Dela Cruz, by Decision<sup>[20]</sup> of July 4, 1997, ordered Arpaphil to indemnify herein petitioners death benefits in the amount of USD 50,000 and an additional USD 1,000 as burial assistance for the death of their son.

In granting death benefits and burial assistance to petitioners, the Labor Arbiter held:

The death of complainants' son is compensable. It is sufficient that the risk of contracting the cause of death was set in motion or aggravated by a work-related injury sustained during the lifetime of their son's contract of employment.

Otherwise stated, where the primary injury is shown to have been suffered in the course of employment, every natural consequences (sic) that flows from the injury likewise arises out of employment.

In the case at bar, there is a proximate connection of the primary injury sustained by the deceased to the cause of his death. *The risk of contracting cerebro-vascular accident (CVA) is greater during state of depression* like what the deceased was suffering and complaining before his untimely demise.

As what actually happened the deceased felt so sorry for himself having been deprived of his only means of livelihood at the prime of his youth and for having to think that had the master of the vessel gave (sic) him prompt and proper medical treatment he could have probably been saved from the misfortune that befell upon him; a circumstance that alone should make the respondents answerable.<sup>[21]</sup> (Underscoring supplied)

On appeal, the NLRC, by Decision<sup>[22]</sup> of October 31, 1997, set aside the July 4, 1997 Decision of the labor arbiter but ordered respondents to pay petitioners the amount of P20,000 for humanitarian considerations in light of the following considerations:

It is clear from the records that the deceased seaman sustained an injury to his right eye while on board the MV Panoria. It is equally true that no

competent evidence has been adduced by the complainants to bolster their contention that the work-sustained injury has a direct bearing and/or influence on the cause of death. As the respondents have so aptly discussed, and with which We agree, to wit:

"CVA or Cerebro-Vascular Accident, or stroke, is defined in the text "Principles of Internal Medicine" (International Student Edition, McGraw Hill Book Company, New York, 1966 Ed., Chap. 204, p. 1146) as follows:

"The clinical picture resulting from vascular disease is in most instances so distinctive that the diagnosis is more readily made than any other in the realm of neurology. The cardinal feature is the stroke, a term which connotes the sudden and dramatic development of a focal neurologic deficit. In its severest forms, the patient falls hemiplegic and even unconscious – an event so striking as to deserve its own separate designation, namely, apoplexy, stroke, shock, cerebrovascular accident. x x x."

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"The neurologic deficit in a stroke depends, of course, on the location of the infarct or hemorrhage in the brain and the size of the lesion. Hemiplegia is the classical sign of vascular disease and occurs chiefly with massive lesions of the brainstem. In the most serious cases of hemorrhage, the patient literally falls in his tracks, paralyzed on one side, and soon passes into deep coma and dies within a few hours."

CVA is classified under the broad umbrella of the term "Cerebrovascular Diseases, which is defined and the underlying causes for which are discussed in the same above-cited text (Id. at p. 1146) as follows:

The term cerebrovascular disease is intended here to denote any disease in which one or more of the blood vessels of the brain are primarily implicated in a pathologic process. By pathologic process is meant any abnormality of the vessel wall, an occlusion by thrombus or embolus, rupture of a vessel, a failure of cerebral flow due to a fall in blood pressure, a change in the caliber of the lumen, altered permeability of the vascular wall, or increased viscosity or other quality of the blood. The pathologic process within the vessel may be described not only according to its grosser aspects " thrombosis, embolism, rupture of a vessel, etc. – but also in terms of the more basic vascular disorders, i.e., hypertensive arteriosclerosis, arteritis, trauma, aneurism, developmental malformation, etc.

Nothing therein can in any way support the complainants' submission and the Honorable Arbiter's conclusion that CVA may result from an eye injury, or from infection (which incidentally was already corrected), or from depression. Thus, it is clear that respondents are not liable for death benefits arising from seaman Aya-ay's death.

Be that as it may, We are of the opinion that on grounds of humanitarian considerations, the deceased seaman having, in his own little way, dedicated his efforts to respondents' endeavors, that the latter be ordered to grant the complainants financial assistance in the amount of Twenty Thousand Pesos (P20,000.00). (Underscoring in the original)

Petitioners' Motion for Reconsideration<sup>[23]</sup> of the October 31, 1997 NLRC Decision having been denied for lack of merit by Resolution<sup>[24]</sup> of January 27, 1998, they filed a Petition for Certiorari with Prayer for the Issuance of a Writ of Preliminary Injunction and/or Temporary Restraining Order<sup>[25]</sup> before this Court, docketed as G.R. No. 133524.

After respondents and the NLRC, through the Office of the Solicitor General, filed their respective Comments,<sup>[26]</sup> this Court referred the petition to the CA by Resolution<sup>[27]</sup> of December 9, 1998, in view of its ruling in *St. Martin Funeral Homes v. NLRC*.<sup>[28]</sup>

By Decision of January 24, 2002,<sup>[29]</sup> the CA denied due course to the petition, it finding that indeed no substantial evidence enough to establish petitioners' entitlement to the various benefits and damages claimed was presented.

Their Motion for Reconsideration<sup>[30]</sup> having been denied by the CA by Resolution<sup>[31]</sup> of September 10, 2002, petitioners filed the present petition for review on certiorari<sup>[32]</sup> raising the following issue:

WHETHER THE PETITIONERS ARE ENTITLED TO CLAIM THE BENEFITS UNDER THE POEA CONTRACT WHICH AROSE FROM THE DEATH OF THE SEAFARER PONCIANO AYA-AY, JR. AND WHAT AMOUNT OF EVIDENCE IS REQUIRED FROM THE PETITIONERS TO PROVE THEIR ENTITLEMENT THERETO.<sup>[33]</sup>

The pivotal issue for resolution is whether petitioners are entitled to the death benefits provided for under the POEA Standard Employment Contract.

Part II, Section C, Nos. 1 and 3 of the POEA Standard Employment Contract Governing the Employment of All Filipino Seamen on Board Ocean-Going Vessels provide:

C. Compensation and Benefits

1. In case of death of the seaman during the term of his Contract, the employer shall pay his beneficiaries the Philippine Currency equivalent to the amount of US\$50,000 and an additional amount of US\$7,000 to each child under the age of twenty-one (21) but not exceeding four children at the exchange rate prevailing during the time of payment.

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3. The other liabilities of the employer when the seaman dies as a result of injury or illness during the term of employment are as follows: